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M E M O R A N D U M
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TO: Board of Oil, Gas and Mining

FROM: James W. Smith, Jr., Coordinator of Mined Land Development *JWS*

SUBJECT: Sum Company
Oljeto (Chum) Mine
ACT/037/029
San Juan County, Utah

DATE: February 25, 1981

Please find attached copies of correspondence from Mr. Aldin J. Coffman, attorney for the Sum Company, operators of the Oljeto (Chum) Mine in San Juan County.

As you will recall, this concerns the uranium operation, presented to the Board at last month's hearing, which was discharging mine water into an ephemeral wash and operating without an approved Mining and Reclamation Plan. The Board made the motion to issue an Emergency Cessation Order contingent upon the Division receiving the results of the mine water analyses. These analyses showed that all of the State Health radiological effluent limitations had been exceeded. Subsequently, the Cessation Order and Order to Show Cause were issued on February 5, 1981.

A meeting was held on February 11, 1981 at the Division office with members of the staff and representatives of the Sum Company; Mr. Joe Stocks, Ms. Phyllis Cortes, and Mr. A.J. Coffman. Also present were Mr. Steven McNeal from the Division of State Health, and Mr. John Blake, from the Division of State Lands. At that time Mr. Coffman indicated that it was the Sum Company's opinion they were exempt from filing a mining and reclamation plan with the Division under Section 40-8-4 of the Utah Mined Land Reclamation Act. It was the Division's opinion, after having been on-site, that the operation was over the two acre limit for surface disturbance and therefore not exempt.

During the meeting it was suggested to the Sum Company, and agreed upon, that a survey be conducted to determine the extent of the surface disturbance involved in the mining operation.

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Two alternatives to the mine water discharge problem were also discussed during the meeting. One alternative is to continue pumping the water into the surface impoundment as is currently being done, and the second alternative is to pump the water through a drill hole into the adjacent old mine workings which presently contain water.

Several concerns were raised with both of the alternatives.

1. How much water is anticipated to be discharged from the new workings and what is the rate of pumping?
2. Is the impoundment capable of handling the amount of water to be discharged?
3. Is the impoundment area fenced and posted to protect wildlife, domestic livestock, and the public?
4. What is the quality of the water in the old workings?
5. What is the geology and groundwater system like in the immediate area?
6. Will a good aquifer be contaminated by pumping into the old workings?

It was agreed upon to not pump water into the old workings, and avoid any possible contamination, until water samples had been obtained and analyzed to determine the present quality. It was also agreed that the impoundment be fenced and adequately posted.

Both a Mining and Reclamation Plan and a Declaration of Exemption were filed with the Division prior to adjourning to attend the State Land Board hearing regarding the Sum Company and a violation of the lease agreement to comply with Oil, Gas and Mining regulations. The State Land Board moved to continue the matter for 60 days and monitor the situation to observe the actions taken by the Board of Oil, Gas and Mining.

Perhaps an explanation of each item in Mr. Coffman's letter would be beneficial.

Item #1 - Wayne Hedberg and Mary Ann Wright visited the mine site on January 7, 1981 and, as previously mentioned, it was their determination that the surface disturbance amounted to at least two acres. The Sum Company, presently has not submitted to the Division a surface facilities map to accompany a recent surveying certificate, which would delineate the disturbed areas of the operation. This map would allow the Division to assess whether or not the operation is exempt.

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Item #2 - The Division letter, although drafted earlier than the Cessation Order, unfortunately was dated and mailed after the cessation order partially due to the fact that the water analysis was received earlier than expected. The Division letter stated that pumping the mine water could continue on a temporary basis after our Division and the Division of Health had approved the temporary control measures. We had no previous knowledge of Mr. Blake's suggestion to contain the discharge in an impoundment. Apparently, the possibility of having the State Mineral Lease cancelled may have prompted construction of the pond since there had been no response to the same suggestion made by Mary Ann Wright and Wayne Hedberg on January 7th. In actuality the Division of State Lands has no direct responsibility or function in the manner in which the mine water discharge is controlled.

Item #3 - As previously mentioned the motion made by the Board to issue an Emergency Cessation Order was contingent upon the Division receiving the water analyses indicating that a potential danger from the discharge did exist. The Cessation Order was not drawn up until the analyses were complete and was not in effect until the day it was signed, issued, and received. The Sum Company made no effort to curtail the discharge as a result of the Division inspection and/or the Directive issued on January 7, 1981 and made no attempt to notify the Division of any subsequent action taken to control the effluent.

Item #4 - The complete results of additional water sample analyses taken from the old mine workings have not yet been received.

Item #5 - The quality of the water in the old workings has not yet been determined, nor has information on the geology or groundwater system(s) of the immediate area been supplied to determine whether or not pumping the mine water discharge into the old workings will have any negative impact.

A complete review of the Mining and Reclamation Plan has not been conducted, pending the results of the survey which satisfactorily demonstrate on a map the area affected by the mining operation. If the survey and map demonstrate the operation to be exempt under Section 40-8-4 of the Utah Mined Land Reclamation Act, the Division will accept a Declaration of Exemption, as long as the present status of the operation is maintained and the two acre limitation is not exceeded. Responsibility for handling the problem relative to the mine water discharge will remain with the Division of State Health. Plateau Resources has agreed to post a \$10,000.00 bond with the Division of State Lands to cover the reclamation surety for the Oljeto (Chum) mining operation but at this writing the Division of State Lands has yet to receive the surety.

JWS/te